MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2015/2016

BEB3014 – ELECTRONIC BUSINESS

(All sections / Groups)

31 MAY 2016
9.00 a.m. - 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

b. This question paper consists of 5 pages (including cover page) with 5 Questions only.

c. Attempt **ALL** questions in Section A. Attempt **THREE** out of **FOUR** questions in Section B. The distribution of the marks for each question is given.

a. Please write all your answers in the Answer Booklet provided.

SECTION A: Answer ALL questions in this section (40 marks)

Social Media Marketing in a Small Business: A Case Study

Many small online companies have Twitter accounts to assist customers, apologize for mistakes, share specials, and interact with their public. Using social media in such a manner helps create transparency which can increase trust from consumers. By using Twitter as a customer service platform, these companies are able to successfully promote a positive brand image and solve customer problems often with less cost than call centers or email service (Parr, 2009). Providing great customer service enables better brand loyalty.

Social media enables small online companies to network with customers in order to build relationships and achieve a better understanding of customer needs. Businesses want their message to reach as many people as possible. To maximize this reach, a small business must have a web presence where customers are hanging out. Increasingly, they are hanging out on social networking sites (Halligan, Shah, & Scott, 2009). Social media provides multiple opportunities for small online businesses to market to consumers and build closer and more profitable relationships.

Social media affords small online businesses with a variety of marketing opportunities for little to no monetary cost. Small online businesses should embrace such opportunities since they often face resource constraints in terms of time and money. Social media provides small online businesses the opportunity to engage and interact with consumers to create lasting relationships.

However, many small online businesses struggle to use social media. A small business survey conducted by the Deluxe Corporation found that 49% of small business owners surveyed claim that effectively reaching customers with limited resources is their biggest challenge (Small Business Trends, 2011). Although social media is free, it has the potential to take up one of an owner's most valuable resources: time. For those unfamiliar with social media, it may take a lot of time in the beginning to learn. Content creation takes up a lot of a small business owner's time. Targeting the wrong audience will just mean small online businesses are spinning their wheels and wasting a lot of time and marketing dollars. Designing a website that drives conversions are also another key challenge of small online businesses.

Adapted from: Cox, S. (2012). Social Media Marketing in a Small Business: A Case Study. Department of Computer Graphics Technology Degree Theses. Paper 16.

Continued.....

QUESTION 1

a. Identify **FIVE (5)** key advantages of social media marketing for small businesses. (10 marks)

b. Identify **FIVE (5)** business challenges of small online businesses when adopting social media marketing. (10 marks)

c. Suggest **FIVE (5)** solutions to the business challenges identified in Question 1b. (10 marks)

d. Explain how social media marketing can be used in **FIVE (5)** dimensions of customer relationship management. (10 marks)

(Total: 40 marks)

Continued.....

SECTION B: Attempt 3 out of 4 questions in this section (60 marks)

QUESTION 2

a. Discuss **FOUR (4)** ways how electronic commerce helps the traditional industry value chain improve their business. (12 marks)

b. Describe mobile commerce. Briefly explain **TWO (2)** benefits of mobile commerce to the sellers. Give **ONE (1)** example of each. (8 marks)

(Total: 20 marks)

QUESTION 3

a. Describe fee-for-transaction revenue model and provide **TWO (2)** types of businesses involved in this model. (4 marks)

b. Advertising is all about communication. The communication might be between a company and its current customers, potential customers, or even former customers that the company would like to regain. To be effective, companies should send different messages to each of these audiences.

(i) Discuss the five-stage customer loyalty that can be helpful in creating the messages to convey to each of these audiences. (10 marks)

(ii) Explain any **THREE (3)** new strategies for banner ads in improving company's advertisement when their ads lost the ability to attract audience's attention. (6 marks)

(Total: 20 marks)

QUESTION 4

a. Give and explain **FOUR (4)** requirements for secure electronic commerce (12 marks)

b. A stored-value card is an elaborate smart card with a microchip or a plastic card with a magnetic strip that records the currency balance. Differentiate between magnetic strip cards and smart cards. (8 marks)

(Total: 20 marks)

Continued.....

QUESTION 5

a. In the second wave of electronic commerce, companies are integrating new types of tracking into their Internet-based material–tracking systems. Identify and explain the most promising technology. (10 marks)

b. Define the following terms:

(i) Bulletin Board Systems (5 marks)

(ii) Monetizing (5 marks)

(Total: 20 marks)

End of Page